



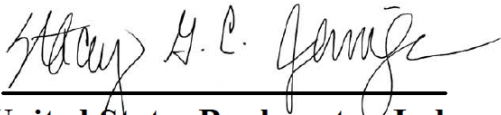
CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed October 7, 2021


United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:

HIGHLAND CAPITAL MANAGEMENT,
L.P.,

Debtor

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§

Case No. 19-34054-sgj11

Chapter 11

OFFICIAL COMMITTEE OF
UNSECURED CREDITORS,

Plaintiff,

vs.

CLO HOLDCO, LTD., CHARITABLE
DAF HOLDCO, LTD., CHARITABLE
DAF FUND, LP, HIGHLAND DALLAS
FOUNDATION, INC., THE DUGABOY
INVESTMENT TRUST, GRANT JAMES

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Adversary No. 20-03195

SCOTT III IN HIS INDIVIDUAL §
CAPACITY, AS TRUSTEE OF THE §
DUGABOY INVESTMENT TRUST, AND §
AS TRUSTEE OF THE GET GOOD §
NONEXEMPT TRUST, AND JAMES D. §
DONDERO, §

Defendants. §

**STIPULATION AND ORDER REGARDING REGISTRY FUNDS AND DISMISSAL OF
MOTION FOR PRELIMINARY INJUNCTION**

CLO HoldCo, LTD. (“CLO HoldCo”) a defendant herein and Marc S. Kirschner, as Litigation Trustee (the “Litigation Trustee”) of the Litigation Sub-Trust (the “Trust”) established pursuant to the Fifth Amended Plan of Reorganization (the “Plan”) of Highland Capital Management L.P. (the “Debtor”) [Bankruptcy Case, Dkt. No. 1472], which is substituted as plaintiff (“Plaintiff”) pursuant to the Plan, hereby submit this stipulation and order (“Stipulation and Order”) to the Court for approval (CLO HoldCo and Plaintiff are sometimes referred to collectively as the “Parties”).

1. Currently the Registry of the Court contains the principal amount of Two Million Four Hundred Fourteen Thousand Four Hundred Twenty-Nine and 91/100ths Dollars (\$2,414,429.91) (together with earnings thereupon in an unknown amount), pursuant to the Court’s *Order Denying Motion for Remittance of Funds Held in Registry of Court* [Bankruptcy Case, Dkt. No. 825] (“Registry Funds”).

2. On July 29, 2021, the Plaintiff filed the *Motion to Further Extend the Stay of the Adversary Proceeding through October 15, 2021* [Dkt. No. 70] (the “Second Motion to Stay”).

3. At the August 19, 2021 hearing, the Court granted the Second Motion to Stay, in substantial part. The Court ruled that: “There is no stay with regard to motions, applications pertaining to the

money in the registry of the court . . . the stay will not apply with regard to that being teed up.”

Transcript, August 19, 2021, p. 47:18-48:4

4. The Court entered the jointly submitted order on August 23, 2021 (the “Order Granting the Second Motion to Stay”). Dkt. No. 84. The Order Granting the Second Motion to Stay states that:

The Litigation Trustee (as defined in the Plan), which is substituted as plaintiff (“Plaintiff”), and defendant CLO HoldCo, Ltd. (“CLO HoldCo”) shall meet and confer in an effort to resolve any disputes concerning monies held in the Court’s registry (the “Registry Funds”) pursuant to the Court’s Order Denying Motion for Remittance of Funds Held in Registry of Court [Docket No. 825]. If Plaintiff and CLO HoldCo are unable to reach resolution concerning the Registry Funds, then, notwithstanding Paragraph 2 of this Order, the Stay shall not affect the rights of Plaintiff or CLO HoldCo with respect to the Registry Funds, and either shall be free to seek further relief from this Court relating to the Registry Funds.

Order Granting the Second Motion to Stay, ¶3.

5. CLO HoldCo and Plaintiff have met and conferred, and have reached this Stipulation and Order to be submitted to the Court for approval.

6. The Registry Funds are to be paid to CLO HoldCo, Ltd., less any applicable fees charged against interest earnings as provided for by this Court’s fee schedule promulgated pursuant to 28 U.S.C. §1930. CLO HoldCo discloses and asserts that upon its receipt of the Registry Funds, it intends to transfer the Registry Funds up through its affiliates to the Highland Dallas Foundation and that the Highland Dallas Foundation will pledge the entirety of the Registry Funds for charitable purposes.

7. CLO HoldCo shall, and represents that it will, in the ordinary course of its business, maintain within the United States assets of a value equal to the amount of the Registry Funds paid to it pursuant to this Stipulation. Plaintiff has requested that CLO HoldCo disclose the assets that CLO HoldCo intends to maintain within the United States, CLO HoldCo’s view of the value of

such assets, and the underlying support for such valuation. CLO HoldCo submits that it will maintain interests in real property assets of an unencumbered value of at least the amount of the Registry Funds (“CLO Asset Value”), and further that undersigned counsel for CLO HoldCo shall provide counsel for the Trust with a quarterly certification of Mark Patrick confirming the maintenance of the CLO Asset Value, in the form of a declaration under 28 U.S.C §1746.

8. Plaintiff hereby withdraws the *Motion for Preliminary Injunction* [Dkt. No. 7] (the “Motion for Preliminary Injunction”) and those portions the *Adversary Complaint* [Dkt. No. 6] (the “Complaint”) which move for injunctive relief as to the Registry Funds, and the withdrawal is approved.

9. The Parties agree that all rights and defenses of each of the Parties regarding this captioned adversary proceeding and any and all motions, responses, of either of the Parties and such other proceedings as may arise within this adversary proceeding or otherwise, excepting the requests for injunctive relief withdrawn herein, including Plaintiff’s rights to challenge CLO HoldCo’s transfer of the Registry Funds, and the defenses of CLO HoldCo or any other party, including without limitations, defendants in this Adversary Proceeding or otherwise, and any failure to maintain within the United States assets of a value equal to the amount of the Registry Funds, are otherwise reserved in all respects, and this Stipulation and Order shall be an order of this Court directing and recognizing such reservations of rights.

10. The Parties agree and this Stipulation and Order shall constitute a final order of this Court under and as required by 28 U.S.C. §2042 and Federal Rule of Bankruptcy Procedure 7067.

End of Stipulation and Order

AGREED AS TO FORM, ENTRY, AND SUBSTANCE:

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Counsel for CLO Holdco, Ltd.

United States Bankruptcy Court
Northern District of Texas

Official Committee of Unsecured Creditor,
Plaintiff
CLO Holdco, Ltd.,
Defendant

Adv. Proc. No. 20-03195-sgj

CERTIFICATE OF NOTICE

District/off: 0539-3

User: admin

Page 1 of 2

Date Rcvd: Oct 07, 2021

Form ID: pdf001

Total Noticed: 2

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Oct 09, 2021:

Recip ID	Recipient Name and Address
dft	+ The Dugaboy Investment Trust, c/o D. Michael Lynn, 420 Throckmorton Street, Suite 1000, Fort Worth, TX 76102-3727

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
ust	+ Email/Text: ustpreion06.da.ecf@usdoj.gov	Oct 07 2021 21:14:00	United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242-0996

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Oct 09, 2021

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on October 7, 2021 at the address(es) listed below:

Name	Email Address
Bryan C. Assink	on behalf of Defendant James D. Dondero bryan.assink@bondsellis.com
Douglas S. Draper	on behalf of Defendant The Get Good Nonexempt Trust ddraper@hellerdraper.com dhepting@hellerdraper.com;vgamble@hellerdraper.com;mlandis@hellerdraper.com;gbrouphy@hellerdraper.com
Douglas S. Draper	on behalf of Defendant The Dugaboy Investment Trust ddraper@hellerdraper.com

District/off: 0539-3

User: admin

Page 2 of 2

Date Rcvd: Oct 07, 2021

Form ID: pdf001

Total Noticed: 2

dhepting@hellerdraper.com;vgamble@hellerdraper.com;mlandis@hellerdraper.com;gbrouphy@hellerdraper.com

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Louis M. Phillips

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june.alcantara-davis@kellyhart.com;Amelia.Hurt@kellyhart.com

Louis M. Phillips

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William R. Howell, Jr.

on behalf of Defendant James D. Dondero william.howell@bondsellis.com williamhowell@utexas.edu

TOTAL: 8